

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL MEMORANDUM

HB 1285 – SB 1749

April 22, 2009

SUMMARY OF AMENDMENT (005547, 006969): Amendment 005547 deletes the language of the original bill; authorizes retired state employees or retired employees of the University of Tennessee and the state university and community college system, who meet criteria specified in Tenn. Code Ann. § 8-27-205, to participate as a retiree in the dental insurance plan; authorizes adjustments of monthly plan premiums pending final approval of the State Insurance Committee. Amendment 006969 requires the State Insurance Committee to establish the monthly amount collected from employee and retiree participants enrolled in the optional dental plan at a level sufficient to recover the initial start up costs during the first 12 months that retirees are eligible for participation.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures - \$16,000/One-Time

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:

**Increase State Revenue –
\$16,000/One-Time/Earmarked for EDISON modifications**

**Increase State Expenditures –
\$16,000/One-Time/Expended for EDISON modifications**

Assumptions applied to amendments:

- There will be \$16,000 of one-time state expenditures required for modifications to the EDISON system as a result of this bill.
- To recover the \$16,000 of one-time state expenditures, an additional fee will be imposed on all state employee and retiree participants in the optional dental insurance plan.

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- According to the Department of Finance and Administration, there are approximately 45,000 participants in the optional dental insurance plan.
- Given the number of participants, the additional fee would need to be approximately \$0.03 per month for the required 12 months in order to recover the \$16,000 of one-time state expenditures.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly legible, and "W." in the middle.

James W. White, Executive Director

/rnc